

Darley Dale Parish Housing Needs Survey Results

December 2010

Report prepared by Isabel Frenzel
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CONTENTS

Introduction	3
Purpose of the survey	3
Planning Context – outline description	3
Local Connection	4
Housing Need by Age Group	5
Timescale for housing requirements	6
Tenure preferences	6
Accommodation requirements	7
Current Accommodation	8
Existing affordable housing stock and turnover	9
Discounted Homes	11
Darley Dale’s Housing Market and affordability	11
Mortgage borrowing ability of respondents in need	14
Home-Options Data – registered housing need	15
Private rented market	17
Tenure of affordable housing	18
Conclusion	18

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Introduction

In November/December 2010, the Rural Housing Enabler for Derbyshire Dales and High Peak undertook a Housing Need Survey with the support of Darley Dale Town Council. Survey forms were posted to every household in the Parish and promoted through an article in the Parish Newsletter and posters at key locations. The returned forms were then analysed by the Rural Housing Enabler and form the basis of this report. Of the 2512 forms posted out, 718 survey forms were returned, a response rate of 29%. Other sources of local housing information have also been used to supplement the survey findings. This report updates a housing need statement produced for Darley Dale in February 2011 which was based on an early assessment of results.

Purpose of the survey

The survey was conducted in order to obtain clear evidence of the affordable housing need in the Parish of Darley Dale. The aim of the survey was to establish the type and tenure of housing required to meet local need, and the extent to which any housing need might be met by current housing stock.

The returned forms can be categorised as follows:

Category	No. of forms
In housing need and in favour of a scheme	52 (54 households in need)
Not in housing need and in favour of a scheme	511
Not in housing need and not in favour of a scheme	116
Don't know/voids/depends	39
Total number of forms returned	718

Planning Context – outline description

The Parish of Darley Dale is in the Derbyshire Dales's planning area. Please note that the following is not a complete description of the planning policies that apply locally.

Within the settlement boundary of Darley Dale, the Council seeks to ensure that 33% of new housing development is for affordable housing on sites of 0.1 hectare or more and/or capable of accommodating 2 or more dwellings.

In addition to these policies, new affordable homes may also exceptionally be allowed for local people on a suitable site immediately adjoining the settlement, where there is a proven need. Any homes built on an 'exception site' must remain affordable and for local people in perpetuity.

For affordable housing developed on an exception site, the following groups of people are defined as being in "local need" and would be eligible for any new homes built on the site:

1. People living continuously for a period of no less than 5 years out of the previous ten years in the parish or adjoining parishes and currently living in accommodation that is overcrowded or otherwise unsatisfactory.
2. People living continuously for a period of no less than 5 years out of the previous 10 years in the parish or adjoining parishes and forming a household for the first time.
3. People who are related to a resident of the parish or are not now resident in the parish but who have lived continuously within the parish or adjoining parishes for more than 10 years out of the previous 20.
4. People who have an essential need arising from age or disability to live close to other people who have lived continuously within the parish or adjoining parishes for more than 5 years out of the previous 10.
5. People who have an essential need to live close to their work in the parish or adjoining parishes.

Derbyshire Dales Local Plan Adopted November 2005

Local Connection

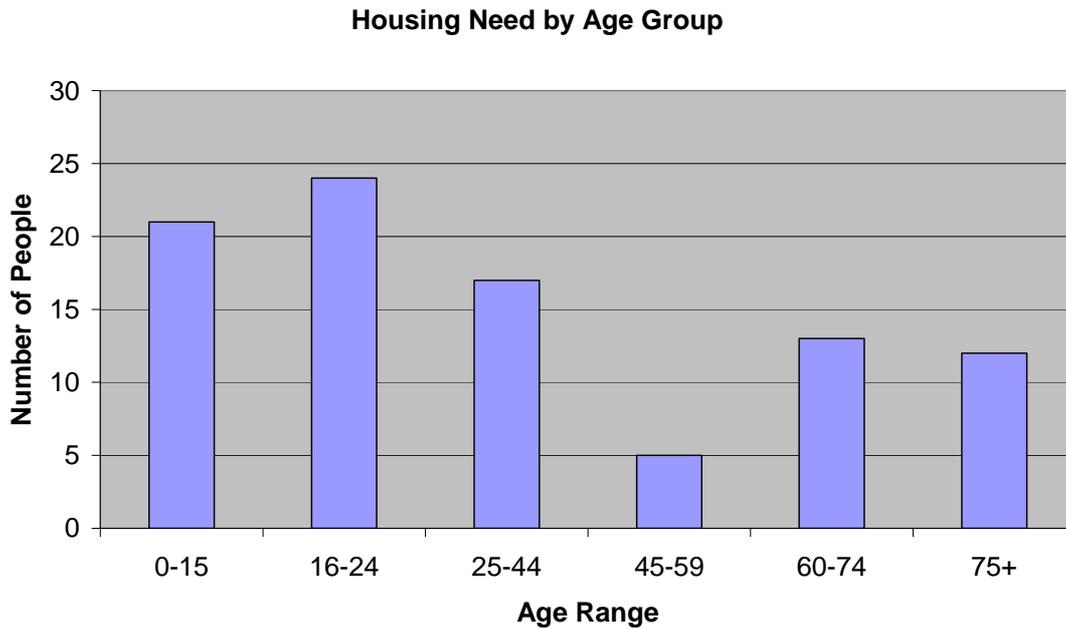
The local connection of those residents in housing need and in favour of a scheme can be summarised as follows:

Category	%	Average duration
Currently live in the village	93	21
Currently work in the village	11	N/A
Have relatives in the village	59	N/A
Have previously lived in the village	17	N/A

NB: The total percentage is greater than 100% in many of the tables and charts as some respondents fall into more than one category.

The following charts set out the key housing demand information from the survey for the 54 households identified in housing need.

Housing Need by Age Group



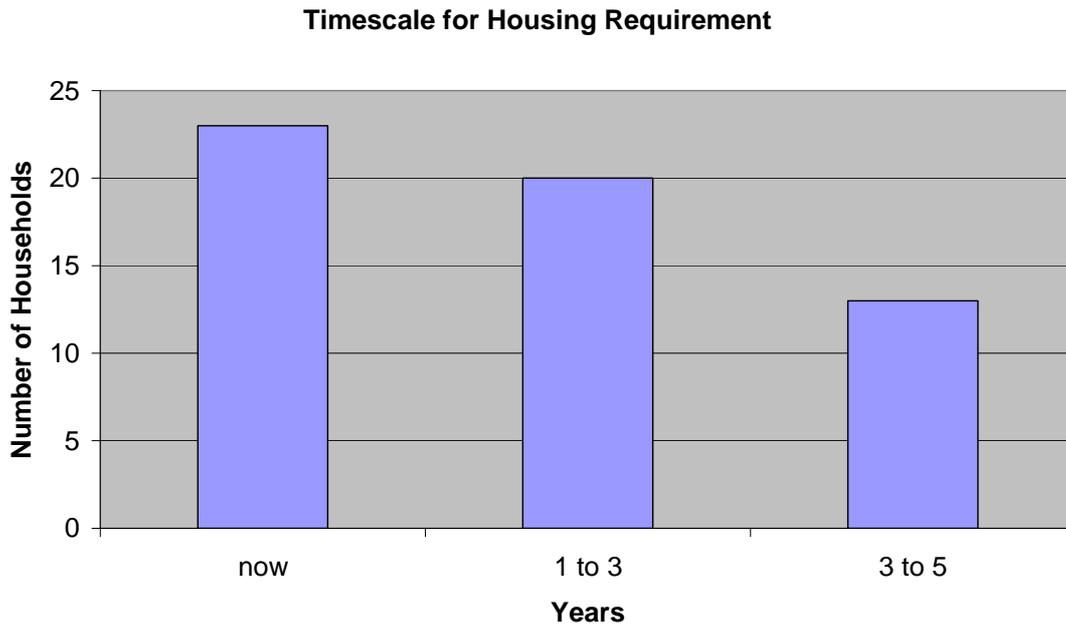
The survey has identified that the predominant need is for people in the 16-24, 0-15 and 25-44 age groups, with a significant need also in the 60-74 and 75+ age groups.

The household types of those in housing need are as follows:

Family with 1 child	2
Family with 2 children	6
Family with 3 children	2
Family with 4 children	1
Single adult	21
Single elderly person	4
An adult couple	7
Elderly couple	11

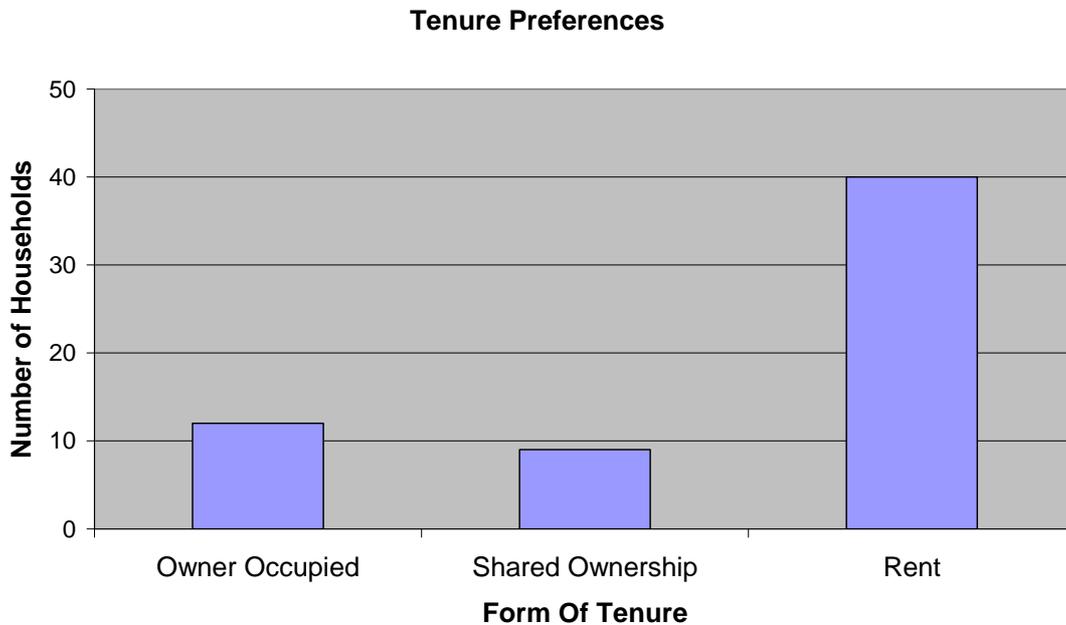
Total no. of households 54

Timescale for housing requirements



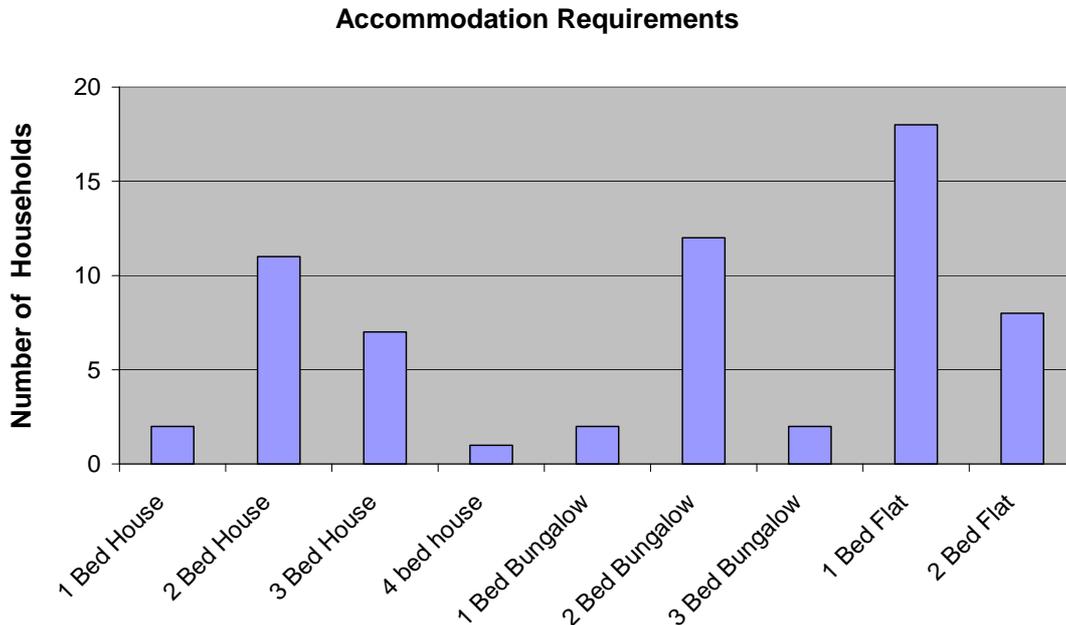
In response to the question “When is this housing going to be needed”, 43% of respondents stated “now”, 37% stated in “1 to 3 years” and 24% needed housing in “3 to 5 years time”.

Tenure preferences



Respondents stated that their tenure preference was predominantly for rent (74%) with then a fairly equal preference for owner occupation (22%) and shared ownership (17%).

Accommodation requirements

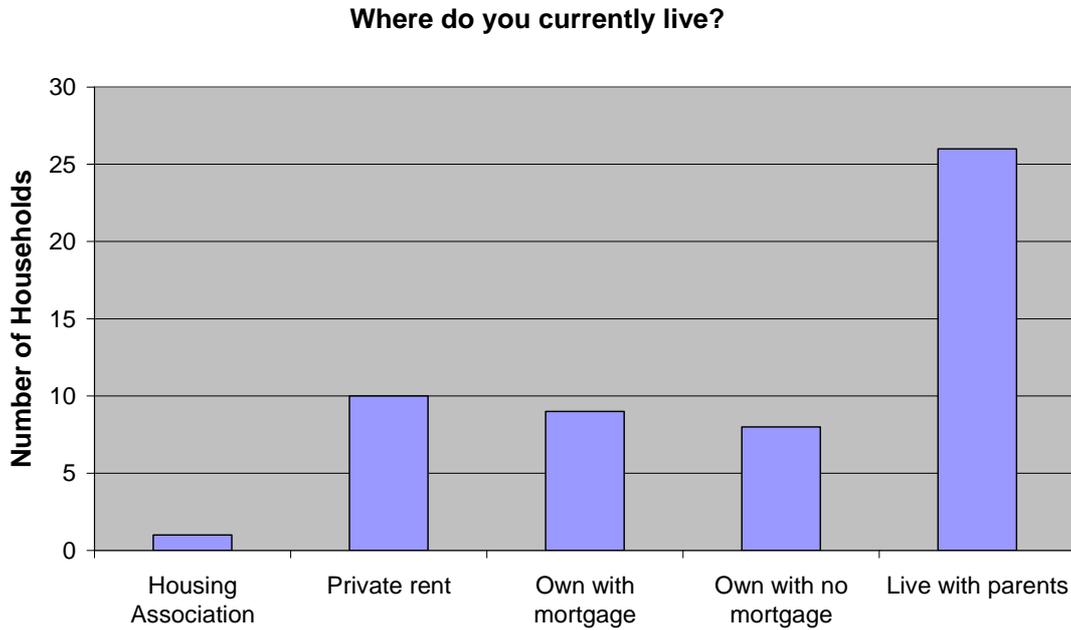


The above chart indicates a predominant need for 1 bed flats, then 2 bed accommodation of all types – bungalows, houses and flats. There is a lesser requirement for 1 bed houses, 1 and 3 bed bungalows and a 4 bed house.

The above chart relates to the household types identified in need. The predominant need is for single people and couples (43 of the 54 households). The following chart ‘Where do you currently live?’ shows that half the need arises from younger people currently living with their parents. 15 households (28%) are people in the 60+ age groups. 11 households have 1 or more children.

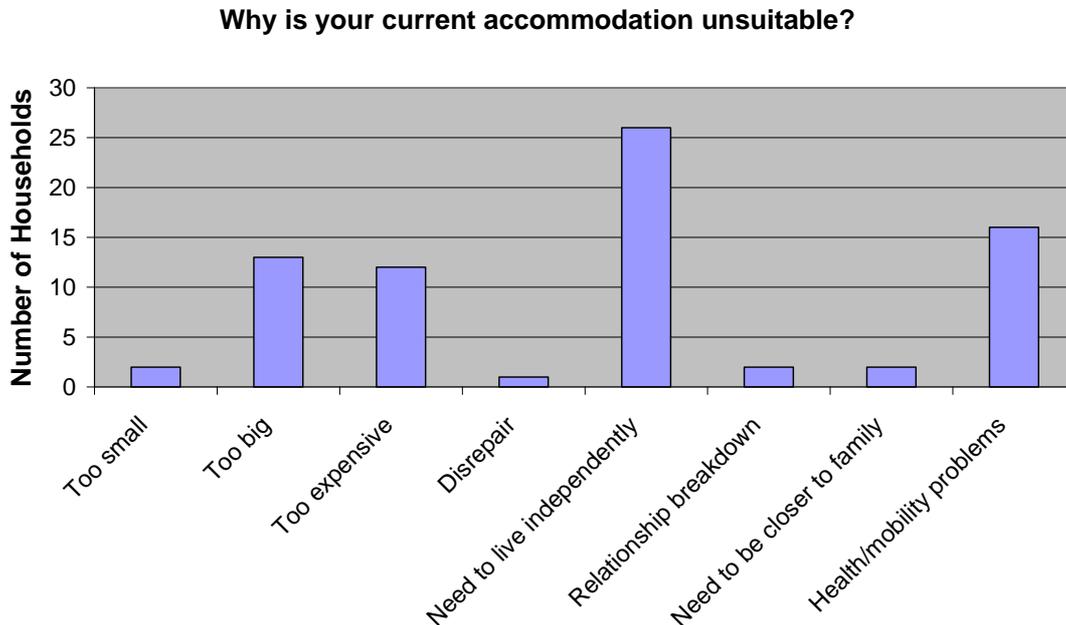
Although there is significant need from single people and couples who would under normal circumstances only be allocated a one bed property, it is important to note that developers are no longer keen to develop one bedroom accommodation as they lack flexibility in the rural context. 2 bed accommodation will also meet the broadest range of needs identified in this survey. As single people and couples would, in normal circumstances, only be allocated a 1 bed property, a Local Lettings Policy could be used.

Current Accommodation



Half of the respondents in housing need are currently living with their parents, 19% are in private rented, 17% are owner occupiers with a mortgage, 15% are owner occupiers without a mortgage, and 1 household is currently living in a housing association property.

Why is your current accommodation unsuitable?



The survey has identified that the key reason why respondents' current housing is unsuitable is due to the "need to live independently" (48% of households). 30% of respondents state that their current home is unsuitable because someone in their household has a health or mobility problem, 24% indicate that their current home is too big and 22% that it is too expensive. Other reasons given are that their current home is too small, in a state of disrepair, need to be closer to family and relationship breakdown.

Existing affordable housing stock and turnover

In considering the housing need information it is also important to consider the level of existing provision and turnover within that stock.

At the time of the 2001 Census, there were 2,202 dwellings with residents in the Parish of Darley Dale. The tenure of these properties was 1,727 owner occupied, 284 owned by Dales Housing Limited or a Housing Association and 191 owned by the private rented sector. From council tax records (November 2010) there are currently 19 holiday lets, 44 long-term empties and 48 second homes in Darley Dale.

The table below shows the current affordable housing stock in the Parish.

Table showing current affordable housing stock in the Parish of Darley Dale

Dwelling Type	Current Affordable Housing Stock	Additional information	Turnover since March 2003	Average turnover per year	Housing Association
2 bed flat	50	Darley Dale	43	5	Dales
2 bed house	6	Darley Dale	2	0.25	Dales
3 bed house	67	Darley Dale	16	2	Dales
4 bed house	2	Darley Dale	0	0	Dales
2 bed sheltered bungalow	14	Darley Dale	7	0.9	Dales
1 bed sheltered flat	20	Darley Dale	15	1.9	Dales
shared ownership	4	Darley Dale	0	0	Dales
Sub Total	163				
3 bed house	5	Two Dales	1	0.13	Dales
1 bed bungalow	6	Two Dales	2	0.25	Dales
1 bed sheltered bungalow	19	Two Dales	9	1.13	Dales
1 bed sheltered flat	40	Two Dales	70	8.75	Dales
Sub Total	70				
3 bed house	1	Darley Dale	0	0	Peak District Rural H.A.
3 bed house	1	Two Dales	0	0	Peak District Rural H.A.
2 bed house (shared ownership)	14	Darley Dale	3	0.38	Home Group
3 bed house (3 shared ownership)	6	Darley Dale	0	0	Home Group
Total	255				

There has been very limited turnover in the affordable housing stock in the past 8 years, with the highest turnover being in the 2 bed flats with on average 5 being let each year and in the 1 bed sheltered flats at Two Dales (9 a year on average). The turnover in the sheltered flats and bungalows in Darley Dale and Two Dales (totalling on average 13 a year) would help to meet some of the older person's need identified in this survey.

Discounted Homes

Derbyshire Dales has several Discounted Home schemes in different parts of the District, although there are no new Discounted Home developments being built at the present time. Darley Dale currently has 42 discounted homes at Willow Way, Laburnum Close and Rowan Close in Darley Dale.

Initial purchasers of these homes could have a discount of up to 25% of the open market value. If the house was initially bought outright or the discount is later bought out, the property is then no longer part of the scheme. Derbyshire Dales organises the valuation of the property and any subsequent owner is also entitled to the same percentage discount. If the present owner wishes to sell, the Discounted Home is initially advertised through Home-Options. There are no local connection restrictions on these properties, although Derbyshire Dales would prioritise applicants from Derbyshire.

2 x 2 bed Discounted Homes in Darley Dale have recently been valued at £145,000 (these particular properties then had a 17.5% discount). Although these Discounted Homes will assist some people to purchase a home who might not otherwise be able to do so, there is limited turnover of this stock and they are available to applicants across Derbyshire.

Darley Dale's Housing Market and affordability

The table below lists the properties advertised for sale on rightmove.co.uk in Darley Dale on one particular day (24 January 2011). These house prices are beyond the means of local people unless they have substantial equity or savings. The house price to household disposable income ratio in Derbyshire Dales is 7.4 to 1, yet the maximum amount a person would be able to borrow for a mortgage would be 3/3.5 times a household's income.

In order for a couple setting up home for the first time to be able to afford a 2 bedroom house of £124,500 (a Discounted Property* and the cheapest property available in Darley Dale see table below), they would need a 25% deposit (£31,125) and a monthly mortgage repayment of £590 per week on the remaining £93,375 (based on repayment period of 25 years and an interest rate of 5.68%).

Table 3.1: Cheapest properties available for sale in Darley Dale – January 2011

Property Type	Bedrooms	List Price (£)	Notes
Semi-detached house	2	£124,500	Discounted Property – actual value of property is £145,000*
Semi-detached house	2	£137,500	Modern
Semi-detached house	2	£139,950	Modern
Semi-detached house	3	£140,000	
Mid-terrace house	3	£145,000	
Mid -terraced house	3	£146,950	
Semi-detached house	3	£154,500	Modern
Semi-detached house	4	£165,000	
Semi-detached house	2	£169,950	
Semi-detached bungalow	3	£185,500	
Semi-detached house	3	£190,000	
Detached bungalow	3	£195,000	
Detached house	3	£195,000	
Detached bungalow	2	£219,950	
Cottage	2	£249,950	New
Detached house	4	£249,950	Modern

Source: www.righmove.co.uk

**NB: Discounted Property - This property is subject to the Derbyshire Dales Home Options Scheme. Discounted properties are part of a scheme where the Council entered into partnerships with builders allowing them to build on Council-owned land, which then enabled the Council to offer a discount on the house when sold. These discounts roll over to each new purchaser as the discount is written into the property deeds.*

The survey asked respondents for financial information, including the level of mortgage and rent that they could afford. 74% of respondents indicated a preference for rented, 38% for shared ownership and 22% for owner occupation.

When you compare respondents's weekly income, mortgage borrowing ability and savings/equity to the cost of local homes, it is evident that the majority of respondents would struggle to meet their housing need on the open market, including the Discounted Homes. Charts showing weekly income and mortgage borrowing ability are below.

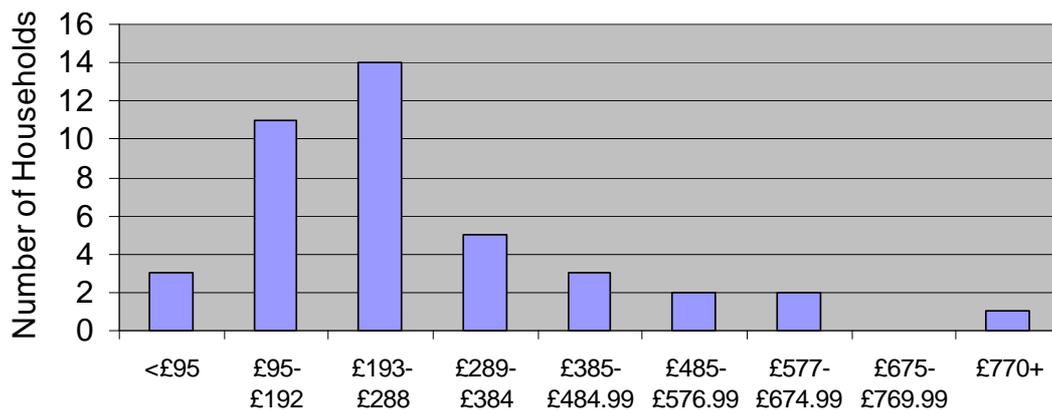
A general test for whether a household is able to afford their housing is if it costs less than 30% of their net income. If we take the example given above of a 2 bed house for a first time buyer (£124,500 – note this is a Discounted Home), having found a deposit of £31,125 (25%), they would then need a minimum net income of about £450 per week to afford the weekly mortgage payment of £136 on £93,375. The chart below shows that only respondents at the top end of the weekly income scale may be able to afford this, even if they had the substantial savings required for a deposit.

There are also respondents who have a property with no mortgage and with a mortgage. It is more difficult to establish from a paper-based survey to what extent these groups would be able to meet their housing need in the market.

There are 8 households who have a house with no mortgage, 4 of these households have someone in their household with a health and or mobility problem. 5 households stated that a 2 bed bungalow would be most suitable for their needs. 6 of the 8 indicated that they had equity or savings equivalent to a 2 or 3 bed house or equity/savings of £200,000 plus. The further 2 households we can assume have equity as they have a home without a mortgage. It could therefore be argued that these 8 households have the equity and or savings to meet their housing needs on the open market (3 bungalows were on the market at the time of writing for between £185,500 and £219,950, and a 2 or 3 bed house is available for less).

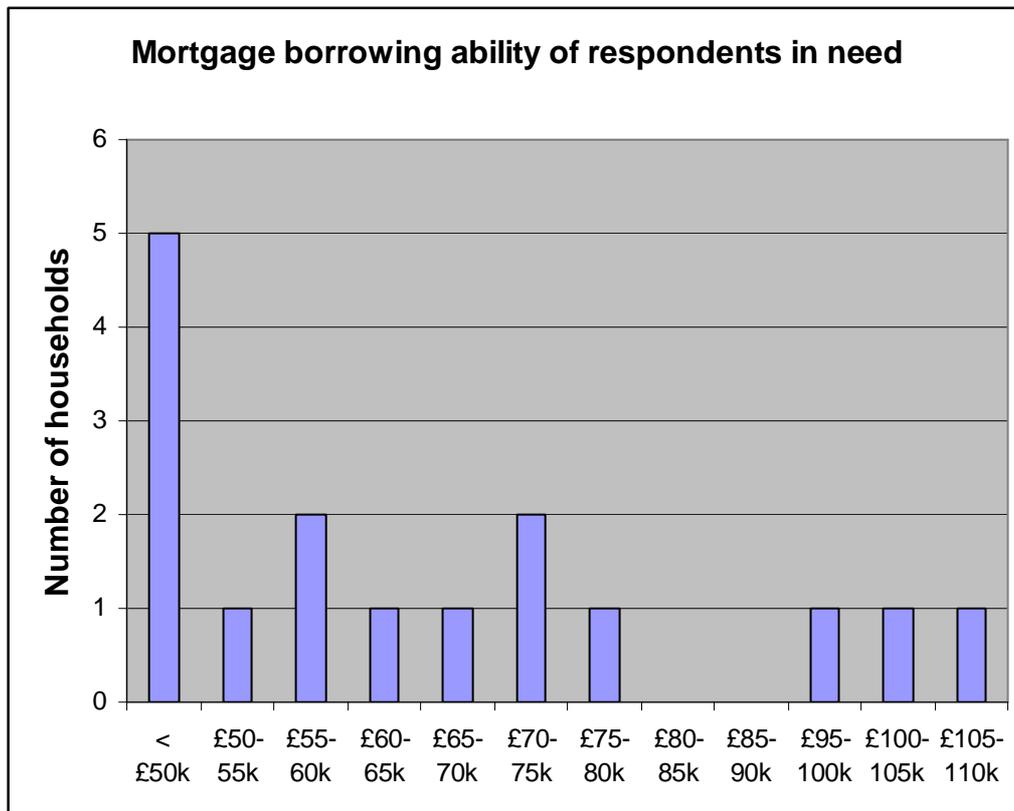
9 households have a property with a mortgage, 5 of these properties are finding their mortgage too expensive. 6 of these households want to change tenure to rent, and 7 of the 9 have a health and or mobility problem. Furthermore 5 of these 9 households are people in the 60 plus age groups. The information provided suggests that these homeowners are not having their housing needs adequately met by the private sector.

Weekly income (take home pay) of respondents in housing need



Mortgage borrowing ability of respondents in need

The chart below shows the mortgage borrowing ability of respondents in housing need. 6 households have indicated that they would be able to afford a mortgage of £70,000 or more. 4 of these households are currently living with their parents and therefore, as first time buyers, a substantial 25% deposit would be required. 2 of the 6 currently have a mortgage but their current homes are unsuitable as too expensive and need to be closer to family. None of the respondents, who provided information on their mortgage borrowing ability would be able to raise a mortgage (and do not have the savings or equity) to purchase a property on the open market or a Discounted Home.



Home-Options Data – registered housing need

A further indicator of need is people registered on the Housing Register. There are currently 138 Darley Dale residents registered on Home-Options* seeking accommodation. The figure of 138 Darley Dale residents registered on Home-Options is likely to be an under-representation of actual need as it does not include people with a local connection to Darley Dale who have moved away and may wish to return, and experience shows, that people in housing need may not be aware of Home-Options. Taking account of both the Housing Register and the survey, **and ensuring that there is no double counting**, there are **177** households in housing need in Darley Dale Parish (having deducted 7 respondents to the survey already on Home-Options, and 8 households in the survey without a mortgage who could meet their own need).

The Home-Options Scheme bands people according to their housing need from A to D, with A being the highest priority and D being the lowest. The following tables show the households broken down by banding. Home-Options also calculates a household's minimum bedroom need, which is also indicated below. It should be noted that developers are not keen to build 1 bed properties as they lack flexibility in the rural context.

*Home-Options is Derbyshire Dales District Council's choice-based lettings scheme which allows home-seekers to 'bid' for properties available. Further information is available at www.home-options.org or telephone 01629 761311 or 761117.

Band A (High Priority) - 5 households

Band Reason	No. of Households
Underoccupying – freeing up 2 or more bedrooms (Dales's Tenants)	3
Urgent social need	1
Harassment/personal protection	1
Total	5

4 of the households in Band A require a 1 bed property, 1 household requires a 2 bed. The age ranges of the households in need are as follows: 60 years plus x 4, 25-39 years x 1 and 40-45 years x 1.

Band B – 6 Households

Band Reason	No. of Households
Multiple needs	4
Private rented tenant where notice been served	1
Homeless – with duty to accommodate	2
Total	7

3 of the households in Band B require a 2 bed, 2 households x 3 bed, 1 x 1 bed and 1 x 4 bed. The age ranges of the households in need are as follows: 25-39 years x 3, 40-45 years x 2, 45- 49 years x 1, 60+ years x 1.

Band C – 61 Households

Band Reason	No. of Households
Sharing facilities	34
Overcrowding – requiring 1 more bedroom	4
Medium social need	21
Homeless – without priority	2
Total	61

In Band C, households have the following minimum bedroom need: 40 households require a 1 bed property, 12 require 2 bed, 3 x 3 bed, 1 x 4 bed and 5 unclear. The age ranges of the households in need are 25-39 years x 15, 60+ years x 13, under 25 years x 12, 45-49 years x 7, 40-45 years x 6, 55-59 years x 5, 50-54 years x 3.

Band D (Low Priority) – 65 Households

Band Reason	No. of Households
Owner Occupiers with a desire to move	31
Private rented with a desire to move	19
Social housing tenant with desire to move	10
Other	5
Total	65

In Band D, households have the following minimum bedroom need: 50 households require 1 bed, 9 x 2 bed, 2 x 3 bed, 2 x 4 bed, 2 are unclear. The age ranges of the households in need are 60 years + x 33, 25-39 years x 14, 55-59 years x 5, 50-54 years x 4, 40-45 years x 4, 45-49 years x 1. Note that 33 of the 65 households are people in the 60+ age groups (all requiring 1 bedroom), and 25 of these are owner occupiers.

In summary, the Home-Options data tells us that:

- There are people under-occupying affordable homes, but only a small number
- There is only a small number of homeless households
- Most of the need is in Band C and Band D
- In Band C, most of the need is from people who are sharing facilities (with separate households, friends or ex-partner) or have a medium social need (have an illness or disability that is made worse by current home)
- There are a significant number of people who are low priority (Band D) as they are owner occupiers or are adequately housed in affordable housing or the private rented sector

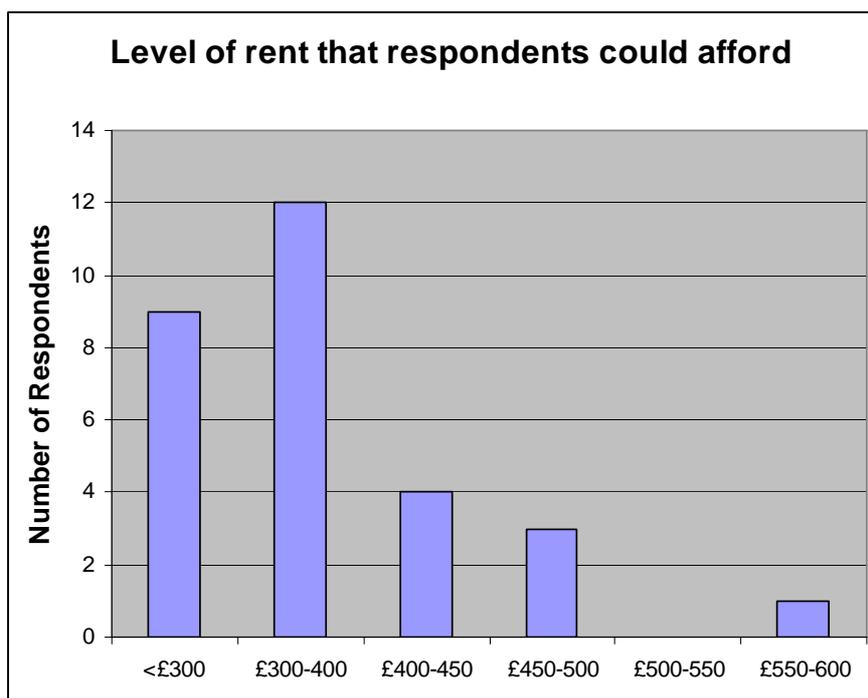
Private rented market

At the time of writing only 3 properties are available for rent in Darley Dale on the Right Move website. The monthly rental figures are provided in the table below.

Only 1 respondent indicated that they would be able to afford a rent of above £500 per calendar month and the cheapest property for rent on right move at the time of writing is £525 pcm (see table and chart below). There is also a very limited supply of private rented properties with only 3 being advertised on Right Move. Furthermore, private rented accommodation is traditionally seen as a tenure that supports a mobile workforce rather than as a long term solution to a community's housing needs.

All private rented properties advertised on Rightmove.co.uk in January 2011 in Darley Dale

<i>To rent</i>	Cost – per calendar month
2 bed house - modern	£525
2 bed house – modern	£525
3 bed terraced	£595



Tenure of affordable housing

The tenure options with affordable housing are rented or forms of ownership involving equity share, mainly shared ownership.

The predominant need is for affordable rented homes through a Registered Provider (more commonly known as a 'Housing Association'). The financial information provided in the survey suggests that a small number of shared ownership properties may be an option, particularly if shares are started at 33%.

It is interesting to note that 2 x 2 bed and 1 x 3 bed shared ownership houses have sold recently in Darley Dale and Matlock, with 50% shares being purchased. The 2 shared ownership houses at Lime Grove took approximately 7-10 months to sell, and a 3 bed in Matlock took just a few months to sell. This is discussed in further detail below.

In early 2010, 4 shared ownership properties were completed at Lime Grove in Darley Dale. Due to a concern about selling the properties, the 2 x 3 bed properties were changed to 'Rent to Homebuy' and were quickly allocated ('Rent to Homebuy' allows the occupier to rent usually for up to 3 years before purchasing a share of the property). Sales of the 2 x 2 bed shared ownership were slow due to the large deposits currently required for first time buyers, but both sold for £140,000 and £139,500 with a 50% share of £70,000 and £69,750 in August and December 2010. A rent would be paid on the remaining 50% share, which on the property valued at £140,000 was £160.42 per calendar month plus a £8.47 rental service charge. Discussions with a Home-Buy agent suggest that there is a need for some 3 bed shared ownership properties in Darley Dale and Matlock from people in housing need due to relationship breakdown.

A 3 bed shared ownership property also sold last month (February 2011, first marketed in October/November 2011) at Masson Hill View, Matlock. It was valued at £160,000 with a 50% shared purchased for £80,000, a gross rental of £147.19 pcm will also be paid for the remaining 50% share.

If shared ownership or rent to buy* is considered it should be noted that a recent District wide survey (2007), which analysed affordable housing need on a much larger scale, recommended a 80% rented to 20% shared ownership split on new affordable housing schemes because of the large disparity between incomes and house prices.

Conclusion

Taking account of both the Housing Register and the survey, and ensuring that there is no double counting, there are **177** households in housing need in Darley Dale Parish.

The survey identified 46 households who would struggle to meet their housing need in the open market. From the financial information provided, 8 households without a mortgage are likely to be able to meet their own need.

The predominant need is for affordable rented homes through a Registered Provider (more commonly known as a 'Housing Association'). Recent experience shows that providing shared ownership in the current financial climate has some risks attached.

The survey supports some provision of shared ownership, particularly if shares are started at 33%, but no more than 3 or 4 as in previous schemes.

In particular, the survey has identified a lack of starter homes for younger people. The predominant need is for 2 bed houses with a need also for 2 bed flats, 3 bed houses, 2 bed bungalows (general needs) and perhaps 1 or 2 x 4 bed houses. Darley Dale only has 6 x 2 bed houses and only 2 of these have become available in the past 8 years.

There is very limited opportunity for local people to meet their housing need in Darley Dale by buying or renting a home on the open market, even the Discounted Homes are expensive for local people. The turnover of current affordable housing in Darley Dale and Two Dales is predominantly in the older person's sheltered accommodation. The turnover of older person's accommodation in Darley Dale and Two Dales (13 on average per year) is likely to meet much of the housing need for older people identified in this survey.

Although 28% of the respondents to the survey (15 households), who indicated a housing need, were people aged 60 and above, further analysis has shown that half of these households are likely to be able to meet their own need in the open market (and therefore have not been included in the final need figure). The Home-Options's data also shows a high percentage of older people (60+ years) in housing need (37% or 51 out of 138 households). However, further analysis shows that 33 of the 65 (24% of the total need) are people in the 60+ age groups who are low priority (Band D) with 25 of 33 being owner occupiers. Furthermore, the predominant turnover of the current affordable housing stock is in older person's sheltered accommodation, which is likely to meet most of the identified need.

If shared ownership is considered, a recent District wide survey (2007), which analysed affordable housing need on a much larger scale, recommended a 80% rented to 20% shared ownership split on new affordable housing schemes because of the large disparity between incomes and house prices.

Even though house prices have shown a recent decrease, there is still a large gap between incomes and house prices, which will continue to have a significant impact on affordability. The current credit crunch is also making it more difficult for people to get on to the housing ladder, with fewer mortgages available, larger deposits and a good credit rating being required. There has also been a movement away from 100% mortgages and lending above 3 to 3.5 times a household's gross annual income.

This survey has been undertaken with the support of Darley Dale Town Council. These conclusions are based on information provided by residents of Darley Dale Parish as part of a paper-based survey. The views of the Town Council and the community on the outcomes of this report are very much welcomed.

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